

**FIDEURAM ASSET MANAGEMENT (IRELAND) dac**

2nd Floor, International House

3 Harbourmaster Place, IFSC

DUBLIN 1, D01 K8F1

(the “**Management Company**”)

**MANAGEMENT COMPANY**

of the Luxembourg mutual investment fund

with multiple sub-funds

**FONDITALIA**

(the “**Fund**”)

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**NOTICE TO THE UNITHOLDERS**

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Notice is hereby given to the unitholders of the relevant below listed sub-funds of the Fund (the “**Sub-Fund(s)**”) that the board of directors of the Management Company (the “**Board**”) has decided to implement the following changes in the prospectus of the Fund (the “**Prospectus**”).

**1. Change of investment policy of the Sub-Fund Fonditalia Emerging Markets Local Currency Bond**

The Board has decided to amend the investment policy of the Sub-Fund as from 29 July 2024 (the “**Effective Date**”) to provide for the possibility to invest into total return swaps. The increase in the portion of assets subjects to TRS will afford more flexibility and efficiency in capturing exposure to a wider range of emerging market instruments.

The following paragraphs will be included in the investment policy as from the Effective Date:  
*“The sub-fund will invest in funded and unfunded total return swaps (where the underlying assets could be fixed income indices or baskets of securities, foreign exchange) on a continuous basis.”*

*“Total Return Swap:*

*Maximum portion of assets that can be subject to TRS: 25%.*

*Expected portion of assets that will be subject to TRS: 20%.”*

**2. SFDR recategorisation of the Sub-Funds Fonditalia Financial Credit Bond, Fonditalia Core 1, Fonditalia Core 2 and Fonditalia Core 3**

As from 28 June 2024, the Sub-Funds will be categorised as an ESG Promotion Strategy sub-funds, as further described in the Prospectus, and will be classified as Article 8 Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, as amended (“**SFDR**”).

The Sub-Funds were classified as Article 6 funds under SFDR.

The portfolio of the Sub-Funds will not need to be rebalanced in view of this change as the portfolio of the Sub-Funds already includes environmental and social characteristics and as the Sub-Fund’s

investment managers were already taking into account environmental and social considerations in the management of the Sub-Funds.

In this respect, the investment policy of the Sub-Funds will be amended by integrating the following disclosures:

<b>Investment policy, additional disclosures</b>
<p>The sub-fund has been categorized as an ESG Promotion Strategy Sub-fund, as promoting, among other characteristics, environmental and social characteristics, which are a binding component, for the assets selection and investment decision-making process, and the companies in which the sub-fund shall invest in need to follow good governance practices, in accordance with article 8 of the SFDR.</p> <p>More information relating to the environmental and social characteristics of the sub-fund is provided in the Appendix to the Prospectus in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.</p>

For the avoidance of doubt, this recategorisation from Article 6 SFDR to Article 8 SFDR does not have any impact on the investment policy of the Sub-Funds, the way the Sub-Funds are managed, their risk profile nor the fees borne by the Sub-Funds, which remain unchanged.

**3. Addition of a Sub-Investment Manager for the Sub-Fund Fonditalia Enhanced Yield Short Term**

Muzinich & Co. Limited has decided, with the approval of the Management Company, to sub-delegate the management functions related to the investment mandate of the Sub-Fund to a sub-investment manager, Muzinich & Co Inc (USA) as from 28 June 2024. Muzinich & Co Inc (USA) has its registered office at 450 Park Avenue, 10022 New York, United States of America.

The reason for Muzinich & Co Inc (USA) being added as a delegate to the Sub-Fund is to enable the Investment Manager to leverage on the expertise and knowledge of the individuals working within Muzinich & Co Inc (USA). The Sub-Fund will be managed through a team-oriented style of management designed to provide an iterative, reflective, repeatable process for decision making. The investment team is global and in this respect employees of Muzinich & Co Inc (USA) based in the USA and employees of Muzinich & Co. Limited will be working together on this strategy on a daily basis.

For the avoidance of doubt, this change will not have any impact on the risk profile of the Sub-Fund, its asset allocation or fees borne by the Sub-Fund.

**4. Change of benchmark of the Sub-Fund Fonditalia Equity India**

The Sub-Fund is actively managed. The Sub-Fund is managed in reference to a benchmark which is used for investment screening process and for portfolio construction.

As from 28 June 2024, the benchmark “MSCI India 10/40” will be replaced by “MSCI India 10/40 ex Controversial Weapons”. The change the benchmark aims at better reflecting the ESG’s exclusions principles of the Sub-Fund.

As from 28 June 2024, the performance fee of the Sub-Fund will be calculated based on the overperformance of the new benchmark. The performance fee is calculated/accrued daily and paid annually. As from 28 June 2024, the performance will be calculated based on the new benchmark.

For the avoidance of doubt, this change will not have any impact on the way the Sub-Fund is managed, the risks or the fees borne by the Sub-Fund and therefore will have no impact on investors.

#### **5. Change of global exposure calculation method for the Sub-Funds Fonditalia Global Income and Fonditalia Diversified Real Assets**

As from 28 June 2024, the global exposure calculation method of the Sub-Funds will change from “Absolute VaR” to “Relative VaR”. This change is intended to align the global exposure calculation method to Relative VaR, following the introduction of a benchmark for portfolio construction, risk and performance measurement in July 2023 for both the Sub-Funds.

For Fonditalia Global Income, the reference portfolio will consist of the arithmetical weighted average of following indices (being the reference benchmark of the Sub-Fund):

- 5% J.P. Morgan GBI-EM Global Diversified Composite Unhedged EUR,
- 5% J.P. Morgan EMBI Global Diversified Composite Index, total return, in USD and converted in EUR,
- 35% Bloomberg Global Aggregate Corporate Total Return Index Unhedged EUR,
- 25% MSCI World Price Index in Euro,
- 30% FTSE World Government Bond Index Unhedged EUR.

For Fonditalia Diversified Real Assets, the reference portfolio will consist of the arithmetical weighted average of following indices (being the reference benchmark of the Sub-Fund):

- 20% MSCI World Price Index in Euro,
- 10% Bloomberg Commodity Index in Euro,
- 5% MSCI World Energy Sector Price Index in Euro,
- 30% Bloomberg Global Inflation Linked Unhedged EUR,
- 30% FTSE World Government Bond Index Unhedged EUR,
- 5% MSCI World Real Estate GICS Level 1 Price Index in USD converted in EUR.

#### **6. Change of degree of freedom for Sub-Funds Fonditalia Euro Corporate Bond and Fonditalia Green Bonds**

As from 28 June 2024, the investment policy of the Sub Funds will be amended in order to amend the degree of freedom compared to the Sub Funds’ benchmark allowed within the management of the Sub Funds.

It will be amended as follows for Fonditalia Euro Corporate Bond (deletions are crossed out and additions are underlined):

~~“It is expected that, in normal circumstances, a considerable part of the investments of the Sub-fund will be components of the benchmark and the extent to which the composition of the portfolio deviate from that of the benchmark in terms of weighting will be limited. However, from time to time, While maintaining an active management style, the Sub-fund composition has a limited deviation from the benchmark. However, performance may differ, as risk limits allow to deviate from the benchmark composition, investing in depending on market conditions. There is discretion to invest in other securities not included in the benchmark, and using to use alternative weighting of securities to the benchmark.”~~

For Fonditalia Green Bonds, the degree of freedom disclosed in the Prospectus will be changed from significant to material.

The internal risk limits currently set for the Sub Funds will be decreased in order to align them to the actual risk limits in these Sub Funds. The proposed risk limits are compatible with the current management fees in terms of cost sustainability, and are sufficiently large based on realized risk and drawdowns.

There will be no material impact for shareholders, no change to the way the Sub-Funds are managed nor to their asset allocation.

**Unitholders of the Sub-Fund Fonditalia Emerging Markets Local Currency Bond, who disagree with the abovementioned changes of item 1. may request the redemption of their units free of any redemption fees during the period starting from the 24<sup>th</sup> of June 2024, until the day before the Effective Date.**

Updated Prospectus and Packaged Retail and Insurance-based Investment Products Key Information Documents (PRIIPs KIDs) reflecting these changes will be available at the registered offices of the Management Company, FIDEURAM ASSET MANAGEMENT (IRELAND) dac, the Depositary Bank, STATE STREET BANK INTERNATIONAL GmbH, Luxembourg branch and the authorized Distributors as well as on the website of the Management Company (<https://www.fideuramassetmanagement.ie/>).

All capitalised terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Prospectus.

Dublin, 24<sup>th</sup> of June 2024

The Management Company